

Chapter No. 522

10/SS02/R1132SG

JN BUTTS

4/14 4:12pm

SENATE BILL NO. 2949

Originated in Senate *Remick Hughes* Secretary

SENATE BILL NO. 2949

AN ACT TO AMEND SECTION 75-67-121, MISSISSIPPI CODE OF 1972, TO EXTEND THE DATE OF THE REPEALER ON THE PROVISION AUTHORIZING SMALL LOAN LICENSEES TO OFFER BORROWERS THE OPPORTUNITY TO PURCHASE AUTO CLUB MEMBERSHIPS; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 75-67-121, Mississippi Code of 1972, is amended as follows:

75-67-121. Any licensee under this article may charge any borrower on loans of One Hundred Dollars (\$100.00) or more the actual cost of recording any instrument executed as security for a loan; any reasonable fee paid to an attorney for investigating the title to any property given as security for a loan; the actual cost of any premium paid for insurance upon any property given as security for a loan, such insurance to be placed with an insurance company agent of the borrower's selection so long as it is licensed to do business in the State of Mississippi; the actual cost of any premium paid for life, health and/or accident insurance on any borrower where the amount of insurance required is not in excess of the amount of the loan and the premium for the insurance is in keeping with that usually and customarily paid for like insurance.

In addition, after the licensee has fully approved the loan to the borrower, the licensee may offer the borrower the opportunity to purchase an auto club membership. The licensee shall inform the borrower in writing that the purchase of an auto club membership is optional and is not required as a condition of receiving the loan, and that failure to purchase an auto club

membership will not affect the licensee's approval of the loan or the receipt of the loan by the borrower. The notification shall be initialed by the borrower. If the borrower chooses to purchase an auto club membership, the licensee shall allow the borrower to pay the cost of the auto club membership using funds other than the proceeds of a loan or have the cost deducted from the proceeds of any loan obtained from the licensee. The borrower shall be allowed to cancel the auto club membership for a full refund of the purchase price at any time within thirty (30) days after the date of purchase from the licensee if the borrower has not used any of the services provided through the auto club membership. The commissioner shall monitor the number of loans made by licensees with which the borrower chooses to purchase an auto club membership, and shall report that information to the Chairmen of the House Banking and Financial Services Committee and the Senate Business and Financial Institutions Committee by January 1, 2009. This paragraph shall stand repealed on July 1, 2015.


Whenever he finds it necessary, the Commissioner of Banking and Consumer Finance shall have the power to adopt and enforce reasonable rules and regulations to prevent the abuse of this section and the making of excessive charges under this section.

SECTION 2. This act shall take effect and be in force from and after July 1, 2010.

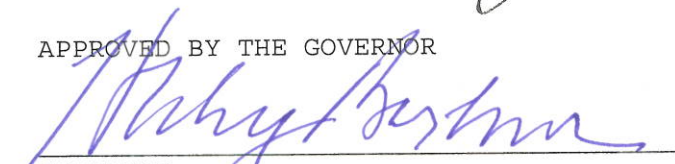
PASSED BY THE SENATE
March 25, 2010


PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
March 25, 2010


SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR


GOVERNOR

4/14/10 4:12p